

FinnAust Mining plc / EPIC: FAM / Market: AIM / Sector: Mining  
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**FinnAust Mining plc ('FinnAust' or the 'Company')  
Pituffik exploration and metallurgical test work update**

FinnAust Mining plc, the AIM and FSE listed company with projects in Greenland and Finland, is pleased to provide an update on its on-going exploration and metallurgical test work programme at its Pituffik Titanium Project ('Pituffik' or the 'Project') in Greenland.

**Metallurgical Test Work update, Market & Customer Analysis**

Allied Mineral Laboratories ('AML') was engaged in October 2016 to complete the next phase of process design and optimisations for what is expected to be consistent run-of-mine material ('ROM'), as well as identify further refinements of the gravity circuit to generate a concentrate of the titanium rich minerals at Pituffik.

The key outcomes from this are expected to improve the design criteria for large-scale exploitation. These will feed into cost estimates and the feasibility study currently underway, which is required as part of the application process for an exploitation licence.

Results from this test work are as follows;

- Representative samples from Pituffik were submitted for Scanning Electron Microscope analysis ('QEMSCAN') to determine mineral species present, grain size and degree of liberation, as well as other identifying physical characteristics. The results were used to prepare a heavy liquid separation process
- The heavy liquid separation conducted on the -2mm sand fraction produced a very pure ilmenite concentrate
  - o Analysis of the potential ilmenite product from this concentrate continues to suggest the suitability of the Pituffik ilmenite for direct use in the sulphate

process and upgrading to sulphate slag and chloride slag

- o Detailed chemical analysis so far completed on a potential ilmenite product indicates low levels of deleterious trace elements and beneficial iron oxide (FeO/Fe<sub>2</sub>O<sub>3</sub>) ratios
- Bulk metallurgical samples collected from raised and active beaches during the 2016 field season have been dispatched to IHC Robbins in Brisbane as part of a design and pilot plant package

An internal review of potential markets and customers is now complete. The Company will shortly begin to execute its marketing strategy;

- The Company hopes to announce the engagement of an experienced marketing specialist in the mineral sands industry to support these discussions in the near term
- Ilmenite concentrate samples produced from current metallurgical test work to be provided to potential customers
- Pituffik ilmenite to be positioned in sulphate process plants in Europe and China, as well as a feed material for global sulphate and chloride slag producers
- Detailed market research indicates global sulphate feedstock deficits from 2018 onwards and coupled with reduced global inventories should provide support for ilmenite prices in the short to medium term.

### **Exploration Update**

Auger samples from the 2016 exploration programme have been delivered to SGS Laboratories in Cornwall for processing. A Quality Assurance/Quality Control ('QA/QC') laboratory site visit took place during January with representatives of the Company's geological auditors SRK and company technicians. The Company reconfirms its expectation of a maiden resource for Pituffik during late February/early March 2017.

Focus for the Company is now turning to the 2017 field season. The primary objectives being the collection of a larger bulk metallurgical sample and further refinement of the geological and grade models for the deposit. Also expected during 2017 will be the lodging of an exploitation application.

**FinnAust CEO Roderick McIllree** said: "2016 was a solid year for the Company, we made substantial progress in establishing the potential viability of the Pituffik Titanium Project. Focus during 2017 will turn to further significant value accretive events as Pituffik continues to demonstrate its potential to host a large & high-grade ilmenite deposit which metallurgical test work indicates has the capacity to produce a high-quality concentrate.

"Work is now underway to identify and secure end-customers alongside the continued advancement of the Project. During 2017 we will execute a proof-of-concept bulk sampling programme as well as continue to define the full resource potential of Pituffik. Alongside this, environmental and social impact studies continue to progress as we move towards lodging an exploitation application. We would like to confirm to all shareholders that we continue to deliver our stated goals in a timely manner and look forward to providing further updates over the coming months."

**\*\*ENDS\*\***

For further information please visit [www.finnaust.com](http://www.finnaust.com) or contact:

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### **Notes**

FinnAust has a number of highly prospective licences at various stages of development in Greenland and Finland. The Company is dual listed on the London AIM market and Frankfurt Stock Exchange.

The Company is currently focussed on advancing the Pituffik

Project in Greenland, an area that has only recently revealed its mineral potential following changes in the climate. Pituffik, which FinnAust conditionally acquired in December 2015, has demonstrated the potential to be in the top percentile of projects worldwide in terms of heavy mineral grade.

Pituffik comprises three main target areas along an >80km coastline historically proven to contain large and high-grade accumulations of primary ilmenite occurring as placer deposits in the following environments:

- Raised beaches; containing ilmenite accumulations over widths of more than 1km, of unknown depths, along more than 20km of coastline;
- Active beaches; which refer to the area seaward of the frontal dunes, including the beach, tidal zones and surf zone - historically samples from this area have achieved 70% ilmenite by weight; and
- Drowned beaches; refers to the areas seaward of active beaches.

The Company's strategy is focused on the production of a bulk sample "proof of concept" from the Pituffik Project in 2017 with the aim of ultimately generating cash flow to create a company capable of self-funding exploration on future acquisitions.

FinnAust has an interest in 60% of Bluejay Mining Limited the holder of the Pituffik exploration licence and has an option to acquire the remaining 40%.

FinnAust also holds a 100% interest in a portfolio of copper, zinc and nickel projects in Finland. This multi-commodity portfolio remains a strategic asset of importance and has been restructured to be cost-sustainable whilst determining the best plan for future development.

This information is provided by RNS  
The company news service from the London Stock Exchange

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Pituffik Work Programme Update, Greenland

<http://www.DigitalLook.com>

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Company Announcement - General

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